

June 30, 2006

Daniel P. Heffelman, Esq.
Indiana Bureau of Motor Vehicles
Program Director, Legal Division

Dear Mr. Heffelman:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Bureau of Motor Vehicles ("BMV") and contained in LSA Document 06-126 amending 140 IAC 3.5-2-15 to eliminate transference of interim plates between dealers and amending 140 IAC 4 concerning commercial driver training schools and instructors. Entities affected by the rule include vehicle dealers that use interim license plates and commercial driver training schools. The BMV estimates that there are a maximum of 13,000 vehicle dealers in Indiana and that there are 78 driver training schools operating in Indiana employing a total of 600 instructors and 240 officers.

Costs occurring as a result of the rule include administrative costs and costs resulting from an increase in existing fees. Businesses in the driver training school industry will incur administrative costs associated with obtaining criminal background checks from the Indiana State Police for their employees as well as costs arising from a requirement that they furnish their students a copy of a Bill of Rights for Driver Education Students (which the BMV has included with their economic impact statement for the rule). The BMV has subsequently indicated that the cost of obtaining a criminal background check ranges from \$7-\$32 depending on the option (including online or manual) selected by the entity requesting the background check and that affected entities may choose which option to select. Changes in fees consist of a fee increase from \$10 to \$20 for schools desiring to change their name and a \$5 fee for the issuance of a duplicate license for instructors at the school. These fees would only be applied to school seeking a name change and schools seeking a duplicate license for their instructors. Schools that do not take either of those actions would not incur the fee.

The rule also adds a requirement that driver education classrooms offer at least one unisex handicapped accessible restroom. Although the cost of providing handicapped accessible restroom facilities will vary based on the nature of the facility, the BMV has estimated that cost would be a maximum of \$15,000 assuming a handicapped restroom had to be constructed without any previous facility in place. Importantly, the cost for providing handicapped accessible restrooms could be significantly lower in some cases, and classrooms that already offer handicapped accessible facilities would incur no additional cost due to this provision.

Although the BMV could not estimate the number of affected entities that are classified as small businesses, the impact statement does note that the rule contains provisions allowing schools to seek business in counties outside the county in which the school's classroom is physically located. This provision will allow schools to seek new business and generate new revenue that may potentially offset in whole or in part any costs arising as a result of the rule. This new revenue could help reduce or eliminate the overall economic impact on small businesses. Also, the impact statement indicates that fee increases would be limited to affected entities taking specific actions as opposed to all entities. The BMV has determined that the fee increases and other provisions of the rule are necessary to cover the costs of providing quality service to its customers and also promoting public safety. The IEDC does not object to the fiscal impact associated with the proposed rule.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,



Ryan Asberry
Director – Research
Indiana Economic Development Corporation